



aspects of our work. One is the need for financing of these expanded development programs; the other is the need for communicating with our own staff throughout the length and breadth of the Indian Service.

To give you a somewhat clearer picture of what we have in mind here, let me quote from the statement I made several weeks ago before the appropriations subcommittee of the House of Representatives:

"Development of the full economic potential of the reservation has two facets. One is the proper management of land, timber, water, range, livestock, minerals, and other resources....The other....is a program of economic development. By this, we mean full use of all the resources of a given reservation for maximum productivity. In the West, outside the Indian reservations, a hundred years and more have brought together land, people, and capital to make effective contributions to the national welfare, bringing a high standard of living to the whole area. It is in the sense that this process is only beginning, or has never taken place at all, that Indian reservations are largely undeveloped. In this respect they resemble underdeveloped countries elsewhere in the world.

"Such economic development as has taken place tends to be rather one-sided. Until recently the trust status of Indian lands has prevented them from obtaining credit with which to develop them. Lands are leased which the Indians could more profitably operate themselves and so the full income potential is not realized to the Indians. Since 1867, not one irrigation project has ever been completed. With few exceptions the possibility of tourism is untapped. Small commercial enterprise and service establishments are nonexistent, or feebly developed.

"Over the years the Bureau of Indian Affairs has struggled to fill the economic gap. We have brought much technical skill and small amounts of credit to the reservations; but frontier conditions still prevail with respect to transportation; communications; housing; availability of power; and the supply of community, domestic and industrial water. The standard of living on Indian reservations is not likely to be significantly improved until these conditions have been corrected. To take the first step is the purpose of the [Bureau's] proposed Division of Economic Development."

Although we have had only limited funds which could be used in staffing for a greater emphasis on economic development during the present fiscal year, which ends on June 30, we have been taking advantage of this period to communicate a new sense of direction and purpose both to our own employees and to Indian tribal groups. Last October in Denver we held a nationwide conference of the Bureau's superintendents--the first of its kind convened by the Bureau in more than 20 years. It brought together 56 superintendents, 10 area directors, and most of our top staff in the Washington Office. We have also brought together in nationwide conferences at Washington or elsewhere our key employees engaged in employment assistance and adult vocational training, in education, tribal operations, agricultural assistance, road construction and maintenance, building construction, and budget and finance.

And we have also been meeting with the Indians on their home grounds. Just a few weeks ago, for example, the Deputy Commissioner, the Associate Commissioner and I made an extensive tour of the major Indian communities in western Oklahoma, holding conferences with all the tribal groups in the Anadarko Area and meeting with many Indian families in their homes as we motored from point to point. Tomorrow morning I am flying to Bismarck, North Dakota, for a similar tour of the reservation areas in that State and in early June I shall be having consultations of this type in the Indian communities of Minnesota.

And now where do we stand today in the way of program accomplishments?

Fundamental to everything we do in the Bureau is the education of Indian children. Yet it is an unfortunate fact that we have never had enough classroom facilities so that all Indian children could go to school. Over and beyond this, we have the problem of obsolescence, of antiquated, inadequate and unsafe facilities.

To overcome these two problems, we now have underway 32 school and dormitory construction projects which will provide 3,250 additional spaces and replace 3,814 spaces in unsafe or obsolete buildings. About half of these spaces should be available by the opening of school next September. For the longer range our target is to expand the capacity of our school system and bring ourselves completely abreast of the growing school-age population by the end of the fiscal year 1965. And another part of our dual objective for that same year is to provide safe and sanitary facilities for all children attending Bureau schools.

In the field of adult vocational training, we have liberalized our eligibility requirements so as to include all Indians residing within the exterior boundaries of reservations regardless of the status of the particular lands on which they live; under former rules the training was available only to people making their homes on trust or restricted lands. And we have made it possible for Indians living near the reservations to qualify in cases where a denial of the service would have an adverse effect on our reservation programs. Along with this broadening in the potential scope of our vocational training program, we have also had an increase in the authorized amount of appropriations for the program from \$3.5 million to \$7.5 million. For the fiscal year which starts on July 1 we are requesting \$5.5 million for the financing of this program since it will take some time to gear up for the higher level of activity. In future years our plan is to request the full authorized amount of \$7.5 million.

Another important step we have taken in line with the recommendations of the Task Force is to make an increasingly greater use of Indian labor on our construction projects. The former practice of the Bureau was to have practically all of this construction work done by private contractors who usually have their own crews and make little or no use of Indian labor. This meant that the Bureau was spending many millions of dollars each year on jobs that could be performed by Indians and yet it was providing the people on reservations with only a minimal amount of badly needed work and on-the-job training.

In our Task Force consultations with Indian tribal delegations throughout the West we received many strong complaints about this and in our report we recommended a much greater use of Indian labor through what is known as the "force account" method. This involves having construction projects performed directly by the Government with the Bureau doing its own recruitment and putting work crews on the Federal payroll.

In the fiscal year that ended last June 30 the Bureau had only eight projects involving about \$1.5 million in its entire building construction program carried out by the force account method. In the present fiscal year we have twice as many force account projects involving some four million dollars and providing jobs for about 275 Indians and Eskimos. Next year we expect to have about the same amount in our building construction program. In road construction we have faced a special problem since the Bureau had disposed of most of the heavy equipment required for this type of work. In the present fiscal year's program, however, over 40 percent of our road construction work is on a force account basis and we estimate that it is providing jobs for about 400 Indian workers. While there are some types of projects that just about have to be performed under contract as a practical matter, we shall be making increasing use of force account in the future wherever there is a reasonable possibility to do so.

In the field of Indian credit, too, there have been encouraging advances. The most important step, of course, was the enactment of legislation doubling the size of the revolving loan fund originally established under the Indian Reorganization Act from \$10 million to \$20 million. Under this authorization an additional \$4 million was appropriated for the fund in the present fiscal year. On December 31, 1961, we had a cash balance in the fund of roughly \$6.3 million. While this is not enough to meet all Indian needs for financing from the Bureau, it does permit us to take care of the most pressing needs and contrasts encouragingly with the "bare cupboard" situation that faced the Bureau on December 31, 1960. Today we have on hand applications from tribes for loans totaling over \$19 million for land purchases alone.

On the housing front we have had three important breakthroughs in the last eight or ten months that augur well for the future. The first was the approval of a housing project for the elderly at the Pine Ridge Reservation in South Dakota under the special program conducted in this field by the Housing and Home Finance Agency. The second was the launching of a low-rent public housing project on the same reservation under the program of the Public Housing Administration. And the third was the completion of an agreement between our Bureau and the Federal Housing Administration which greatly broadens the possibilities for FHA-insured loans from banks and other lenders to finance home construction and housing improvements on the reservations. All three of these developments are heartening.

But they will meet only a minor portion of the need because so few Indian families on the reservations have the kind of dependable income required to qualify for FHA-insured loans or even to pay the rents in partially subsidized public housing projects. To make really significant inroads into the tremendous problem of inadequate housing on the reservations, the most promising approach I see is a program of self-help making use of the Indians' own labor. We shall be giving increased attention to this in the period ahead.

In the field of Indian arts and crafts we have had two developments of major significance. One was an increase in the appropriations for the Indian Arts and Crafts Board which permitted some badly needed additions of staff personnel. The other, which has even broader implications, was the decision to establish an Institute of American Indian Arts, national in scope, on the grounds now occupied by the Bureau's boarding school at Santa Fe, New Mexico. This decision was announced last fall and our plans call for opening the new Institute this coming September. At the moment we are busily engaged at Santa Fe--making other school arrangements for the nongraduating student now enrolled there, having the physical plant remodeled to meet the new needs, and building up a faculty and administrative-maintenance staff for the forthcoming Institute. Although the new school will be located in New Mexico, its doors will be open to qualified Indian students with special aptitudes in arts and crafts from all over the country. A full high school course will be offered plus two years of post-high-school instruction. The curriculum will include not only the fine arts, such as painting and sculpture, but a wide range of indigenous crafts such as woodworking, silversmithing, leathercraft, beadwork, ivory carving and basketry. We are hoping eventually to create at Santa Fe a real showplace of Indian arts and crafts which will be of not only national but international interest.

And now how about the unmet needs, the unsolved problems, the jobs lying ahead of us which we have not yet really tackled?

The first one that comes to mind is the rather broad category of reservation economic development. While we have made a few gestures in this direction, our efforts so far have been in no way commensurate with the dimensions of the tremendous job that needs to be accomplished. As I see it, the task has three main phases.

The first involves assembling in the Bureau--chiefly at our field offices--an adequate staff of people highly qualified in economics and the social sciences who can devote their full time and attention to reservation economic development. For the fiscal year that starts July 1 we have requested funds to finance a substantial number of such positions and we are hoping to get our staffing under way on a significant scale this coming summer.

The second phase is the task of formulating comprehensive plans for economic development, reservation by reservation. This, of course, is a job which will have to be accomplished chiefly by the Indians themselves; if the plans are to be worth the paper they are written on, they must be basically INDIAN plans, reflecting tribal thinking from the first fact-gathering stages through the final recommendations for specific action leading to greater economic development. Admittedly, there have been many clarion calls from the Bureau in the past for such tribal planning and the response to date has not been overwhelmingly impressive. But I believe our prospects are much better now for two reasons--first, because the tribal fears of imminent termination have been largely eliminated and, second, because we should be able to provide the tribes with far more expert and intensive help than was formerly possible in planning for economic development through the new staff we are hoping and expecting to recruit.

The final phase of the job involves working with tribal groups to streamline and modernize their organizational structures so they will be in position to take full advantage of the available opportunities for economic development. A large number of tribes are now operating under constitutions, charters and bylaws that were drafted in the latter 1930's and there is an enormous task to be done in bringing these documents up to date. In this field, too, we are hoping and expecting to expand our staff of qualified experts in tribal government during the coming fiscal year so that we will be able to help tribes with these problems on a much broader scale than was formerly possible.

Another closely related set of problems that faces us is the matter of Indian claims. Recently there has been quite a burst of activity in this field and a rather large number of tribes are now on the verge of coming into substantial sums of money. Secretary Udall has emphasized quite strongly his feeling that, wherever feasible, these funds should be used to finance reservation development programs rather than distributed per capita among the individual tribal members. In some cases, of course, this will not be feasible either because there is no reservation to be developed or because there is no cohesive or significantly functioning tribal organization. But where we are dealing with an adequately organized tribal group occupying a reservation with potentials for development, it seems to me we have no alternative except to insist that the funds be used very largely for development purposes. In many instances, the amount of these awards will be sufficient to launch programs that will provide tribal members with continuing benefits for years and even decades into the future.

But on most reservations the judgment monies alone will probably not be enough to finance the kind of economic growth that is needed to boost Indian living standards to an acceptable level. Over and beyond this, a great deal of thought and attention must be given to ways of attracting private investment or equity financing of reservation enterprises as well as credit financing through loans from private and governmental sources.

Another part of this economic development picture consists of the construction needs in Indian country. As a result of increased appropriations for construction work in recent years, the Bureau has been able to make considerable progress in enlarging and improving its reservation road system, its administrative buildings at agency headquarters, and its living quarters for employees. Yet the needs are still tremendous. Far too many Indian communities in the West are still inaccessible by all-weather roads. Far too many agency buildings constructed half a century and more ago are continuing in use. And far too many qualified and capable people are hesitant about undertaking employment careers on Indian reservations because of the insufficiency of adequate housing and other amenities of living which are available in more highly developed communities.

And this brings up the question of the status of communities located near the reservations---the "peripheral towns," as they are sometimes called. What should be the economic, social and political relationships of these towns to the Indian communities on the reservations? Should we be moving in the direction of greater integration and ultimate elimination of all barriers and distinctions?

Or should we be working toward a more comprehensive kind of cooperative relationship with Indian and non-Indian communities continuing to maintain their distinctive identities? These are the kinds of questions which leaders on both sides of the reservation lines will need to be examining with much care in the period ahead.

Finally, there is the need for a broad gamut of activities to improve the quality of education provided in Federal-Indian schools. We have the problem of irregular attendance, the problem of premature drop-outs before high school graduation, and the problem of English language capabilities. Without going into statistics, let me merely emphasize that all of these problems have reached serious proportions in many Indian areas and that remedial action cannot be delayed. But I am glad to report that our education personnel throughout the Indian Service are thoroughly alert to the difficulties and are devoting increased attention to these matters. As one example, the schedule of summer-school activities and conferences planned for the months ahead is highly impressive and will undoubtedly contribute greatly to the solution of these most urgently pressing problems.

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